

Message Text

CONFIDENTIAL

PAGE 01 KINGST 00031 052023Z

43

ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-07 L-03 COME-00 CIAE-00

INR-07 NSAE-00 SP-02 TRSE-00 XMB-02 GSA-01 AID-05

IGA-02 /042 W

----- 112546

P 051925Z JAN 76

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC PRIORITY 9791

C O N F I D E N T I A L KINGSTON 0031

E.O. 11652: GDS

TAGS: EINV

SUBJECT: REVERE TO CHALLENGE IN COURT 1974 BAUXITE PRODUCTION
LEVY ACT

REF: STATE 305486

1. REVERE VICE PRESIDENT MOLOWA ON JANUARY 4 BRIEFED DCM AND
ECONOMIC OFFICER ON REVERE'S PROPOSED LAW SUIT AGAINST GOJ.
COURT SUIT WILL CONTEND THAT 1974 PRODUCTION LEVEY ACT
REPRESENTS UNCONSTITUTIONAL BREACH OF 1967 GOJ/REVERE CONTRACT
AND IS EXTRA CONSTITUTIONAL DEPRIVATION OF PROPERTY. SUIT
WILL BE FILED IN KINGSTON LATER THIS WEEK. MOLOWA SAID REVERE
DOES NOT EXPECT TO WIN IN LOCAL COURT BUT PLANS TO APPEAL
LOCAL DECISION TO PRIVY COUNCIL IN LONDON.

2. REASONS FOR LAWSUIT ARE SEVERAL ACCORDING TO MOLOWA.
REVERE HAS REPEATEDLY ASKED GOJ FOR RELIEF OF PAYMENTS UNDER
PRODUCTION LEVY ACT SINCE PLANT SHUTDOWN LAST FALL. GOJ HAS
NOT RESPONDED TO THESE REQUESTS AND REVERE CONTINUES TO
MAKE REGULAR QUARTERLY PAYMENTS. REVERE ALSO MADE ON
NOVEMBER 13, 1975 AN OFFER TO GOJ RE DISPOSITION REVERE
PLANT. AFTER INITIAL INFORMAL GOJ EXPRESSIONS OF
INTEREST, THERE HAS BEEN NO FOLLOW-UP AND NO RESPONSE
TO REPEATED REVERE QUERIES. AN IMMEDIATE CONCERN IS
THAT REVERE WISHES TO CONTINUE TIS SHUTDOWN BEYOND THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINGST 00031 052023Z

PRESENT AUTHORIZED SIX MONTHS WHICH ENDS IN FEBRUARY,

BUT WITHOUT LOSING ITS MINING RIGHTS. LATTER CAN OCCUR AFTER SIX MONTHS INITIAL SHUTDOWN UNDER JAMAICAN LAW.

3. IN CONNECTION WITH ABOVE, REVERE COURT SUIT ALSO REQUESTS COURT ORDER RELIEF OF PRODUCTION LEVY DURING COURSE OF SUIT, TOGETHER WITH COURT APPROVAL CONTINUATION OF SHUTDOWN WITHOUT LOSS OF MINING RIGHTS PENDING OUT-COME COURT ACTION.

4. MOLOWA SIAD OPIC HAD BEEN THOROUGHLY BRIEFED ON LAWSUIT AND HAS INFORMED REVERE IN WRITING THAT FILING OF SUIT DOES NOT REPRESENT A "PROVOCATIVE ACT" WITHIN CONTEXT REVERE/OPIC CONTRACT. REVERE HAS NOT REPEAT NOT BRIEFED OTHER BAUXITE/ALUMINA COMPANIES OF COURT SUIT.

5. COMMENT: MOLOWA AND REVERE APPEAR TO BE FULLY AWARE THAT THE CONTEMPLATED COURT ACTION MAY PRECIPITATE A CONSTITUTIONAL/POLITICAL CRISIS HERE. PRIME MINISTER MANLEY AND GOVERNING PNP (AS WELL AS SOME MEMBERS OF THE OPPOSITION JLP) ARE EAGER TO MOVE JAMAICA TO REPUBLIC STATUS WHILE ALSO REMAINING IN THE COMMONWEATH. CONCEIVABLY REVERE'S COURT ACTION COULD BE THE CATALYST PRECIPITATING EARLY PARLIAMENTARY ACTION TO AMEND CONSTITUTION ALONG ABOVE LINES--IF ONLY TO CUT OFF REVERE'S RECOURSE TO PRIVY COUNCIL. AS WE (AND REVERE) UNDERSTAND CONSTITUTIONAL POSITION,THIS COULD BE ACCOMPLISHED BY TWO-THIRDS MAJORITY VOTE (WHICH REQUIRES SOME JLP SUPPORT) IN BOTH HOUSES PARLIAMENT IN A MATTER OF DAYS.

6. ASIDE FROM THE CONSTITUTIONAL/POLITICAL IMPLICATIONS, REVERE'S ACTION MAY HAVE SOME IMPACT ON THE ALCOA/GOJ NEGOTIATIONS NOW SCHEDULED TO BEGIN JANUARY 20.
GERARD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LITIGATION, BAUXITE, DIPLOMATIC DISCUSSIONS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KINGST00031
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760002-1260
From: KINGSTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760187/aaaaczcm.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 305486
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 12 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 MAY 2004 by ShawDG>; APPROVED <28 OCT 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REVERE TO CHALLENGE IN COURT 1974 BAUXITE PRODUCTION LEVY ACT
TAGS: EINV, EMIN, OPIC, REVERE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006